

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

UNITED STATES OF AMERICA :
 : CR. No. 13-179S
 :
 : In violation of
 V. : 18 U.S.C. § 1343
 : 18 U.S.C. § 1341
 : 18 U.S.C. § 844 (m)
 KORMAHYAH KARMUE -025 : 18 U.S.C. § 844 (i)
 GBABIA KOLLIE - 0LS : 18 U.S.C. § 641
 : 18 U.S.C. § 2

SUPERSEDING INDICTMENT

The Grand Jury charges that:

INTRODUCTION

At all times material to this Superseding Indictment:

1. Defendant KORMAHYAH KARMUE (KARMUE) was a resident of Providence, Rhode Island.
2. Defendant GBABIA KOLLIE (KOLLIE) was a resident of Tennessee.
3. Performance Adjusting Public Insurance Adjusters, L.L.C. (Performance Adjusting), was a Rhode Island limited liability corporation located in North Providence, Rhode Island, providing services as a public adjusting firm representing individuals and businesses who had suffered property damage with their respective insurance company.

FILED
MAY 27 2014
U.S. DISTRICT COURT
DISTRICT OF RHODE ISLAND

4. Allstate Insurance Company, was an insurance company headquartered outside of Rhode Island offering property and casualty insurance to customers throughout the United States.

5. 31-33 Ida Street, Providence, Rhode Island (Ida Street Property) is a three-family tenement house, rental property, owned by KARMUE and rented to tenants living in basement, first and second floor apartments.

6. In October of 2013, KARMUE contacted KOLLIE and solicited him to destroy or damage by means of fire or explosion the Ida Street property.

7. On or about October 31, 2013 KARMUE called KOLLIE's cellular telephone and left a voicemail message relating to the earlier solicitation to commit arson which stated:

I don't want to be calling you. I am begging you. If you say you will do something, do it. Alright, the time is not in my favor. Next month, next month the people will take the house from me. Next month, the end of this month. If you don't want to do it, tell me. But I don't want to be calling you like I'm stupid, you know what I mean? You and I talked; I will give you what I promised you. It's not; it's not a small amount of money. The job you say you have, you can be fired from that job. Right now, the money I am making, would take you from today up to next year to you're the same money, your savings can't reach that amount.

8. On or about November 1, 2013 KARMUE called S.G., a person known to the grand jury, and asked S.G. to conceal a set of keys to the Ida Street Property under a trailer registered to Janet Trucking, L.L.C., a company belonging to KARMUE, located a

short distance from the Ida Street property.

9. On or about November 1, 2013 KOLLIE called Nakele Freeman (Freeman) and offered him money to damage or destroy by means of fire or explosion the Ida Street property.

10. KOLLIE provided directions to Freeman as to the location of the keys S.G. had concealed. Thereafter, Freeman travelled to that location where he found and took possession of the keys to the Ida Street property.

11. On or about the evening of November 1, 2013 and into the early morning hours of November 2, 2013 KOLLIE engaged in a series of conversations with Freeman and Abraham Kerkula (Kerkula) during which KOLLIE counseled and encouraged Freeman and Kerkula to damage and destroy by means of fire and explosion the Ida Street property.

12. On November 1, 2013, Freeman and Kerkula travelled to the Family Dollar Store on Dexter Street in Pawtucket, Rhode Island, where, using Freeman's bank debit card, they purchased cloth gloves, a flashlight and a plastic bottle, all to use to carry out the contemplated arson and destruction by fire and explosion of the Ida Street property.

13. On November 1, 2013, Freeman and Kerkula travelled to the Benny's store on Branch Avenue in Providence, Rhode Island, where, using Freeman's bank debit card, they purchased a red five-gallon gas can to carry gasoline to commit the

contemplated damage and destruction by fire and explosion of the Ida Street property.

14. On November 1, 2013, Freeman and Kerkula, travelled to a Stop & Shop supermarket gas station located in Providence, Rhode Island where, using Freeman's bank debit card, they purchased gasoline, to commit the contemplated destruction by fire of the Ida Street property.

15. In the early morning hours of November 2, 2013 Kerkula drove Freeman to the Ida Street Property with the express purpose of damaging or destroying it by way of fire or explosion.

16. In the early morning hours of November 2, 2013 Freeman entered the third floor apartment at the Ida Street Property carrying gasoline. After entering the premises Freeman intentionally poured gasoline about the third floor apartment resulting in the ignition of a fire that caused damage to the third floor apartment.

17. On or about November 8, 2013 KARMUE caused a fraudulent property loss claim to be filed with Allstate Insurance Company in order to collect insurance proceeds for the damage to the Ida Street property.

18. Between December 20, 2013 and March 31, 2014 Allstate issued three checks made payable to KARMUE, which checks KARMUE thereafter presented for payment and received

funds totaling eight thousand dollars (\$8000).

COUNT I
CONSPIRACY TO COMMIT ARSON
18 U.S.C. § 844(m)

19. Paragraphs 1-18 of this Superseding Indictment are hereby re-alleged as if fully set forth herein.

20. From beginning on or about October 1, 2013 through on or about January 24, 2014, in the District of Rhode Island and elsewhere, defendants KORMAHYAH KARMUE and GBABIA KOLLIE, along with Nakele Freeman and Abraham Kerkula, and others known and unknown to the grand jury, did unlawfully, willfully and knowingly combine, conspire, confederate and agree with each other to maliciously damage and destroy by means of fire and explosive materials, the building at 31-33 Ida Street, Providence, Rhode Island, which building was used in and affecting interstate commerce, in violation of 18 U.S.C. § 844(i);

The Objects of the Conspiracy

21. It was the purpose and objective of the conspiracy for KORMAHYAH KARMUE and GBABIA KOLLIE along with others known and unknown to the grand jury to damage and destroy by means of fire and explosion a tenement house involved in interstate commerce located at 31-33 Ida Street in Providence, Rhode Island and thereafter file a fraudulent property loss claim with Allstate in order to collect insurance proceeds.

All in violation of 18 U.S.C. § 844(m) .

COUNT II

ARSON

18 U.S.C. § 844(i) and 18 U.S.C. § 2

22. On or about November 2, 2013, in the District of Rhode Island, the defendants, KORMAHYAH KARMUE and GBABIA KOLLIE along with Nakele Freeman and Abraham Kerkula, maliciously damaged and destroyed and attempted to maliciously damage and destroy by means of fire and explosive materials, the tenement house located at 31-33 Ida Street, Providence, Rhode Island, which building was used in and affecting interstate commerce, and aided and abetted the same in violation of 18 U.S.C. § 844(i) and 18 U.S.C. § 2.

COUNT III-V

Wire Fraud

18 U.S.C. § 1343

The Wire Fraud Scheme

23. Paragraphs 1-18 of the Superseding Indictment are hereby re-alleged as if fully set forth herein.

24. From at least as early as October 1, 2013, and continuing through at least on or about April 30, 2014, in the District of Rhode Island and elsewhere, the defendant KORMAHYAH KARMUE knowingly devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property from Allstate, by means of false and fraudulent pretenses,

representations and promises.

Objects of the Scheme to Defraud

25. The objects of the scheme to defraud were to file a fraudulent insurance claim with Allstate in order to induce Allstate Insurance Company to pay KARMUE for property damage to the Ida Street Property and thereby enrich himself.

Manner and Means

26. The grand jury re-alleges and incorporates by reference paragraphs 1-18 of the Superseding Indictment as if fully set forth herein.

27. On or about November 8, 2013 KARMUE hired Performance Adjusting to file and process his property loss insurance claim for the Ida Street Property with Allstate.

Execution of the Scheme to Defraud

28. On or about the dates set forth below, in the District of Rhode Island and elsewhere, for the purpose of executing the aforementioned scheme and artifice, and attempting to do so, the defendant, KORMAHYAH KARMUE, did knowingly and willfully cause for the purpose of executing the scheme and artifice to defraud described above in paragraphs 1-18 and 23-27, cause to be transmitted in interstate and foreign commerce writings, signs, signals and sounds, according to directions thereon, that is, two telephone calls and a facsimile to Allstate Insurance Company relating to and containing the material set forth below:

Count	Date	Nature of Wire Communication
3	November 8, 2013	Telephone call from Sharon Dube of Performance Adjusting to Allstate located in Pennsylvania opening a property loss claim on behalf of KORMAHYAH KARMUE
4	November 8, 2013	Facsimile from Performance Adjusting to Allstate in Pennsylvania a Public Adjuster contract between KORMAHYAH KARMUE and Performance Adjusting
5	December 4, 2013	Facsimile sent from Rhode Island to Allstate in Pennsylvania consisting of a lease for 22 Diamond Street in Providence, Rhode Island

All in violation of 18 U.S.C. § 1343 and 18 U.S.C. § 2.

COUNT VI-IX
Mail Fraud
18 U.S.C. § 1341

The Mail Fraud Scheme

29. Paragraphs 1-18 and 25-27 of the Superseding Indictment are hereby re-alleged as if fully set forth herein.

30. From at least as early as October 1, 2013, and continuing through at least on or about April 30, 2014, in the District of Rhode Island and elsewhere, the defendant, KORMAHYAH KARMUE, knowingly devised and intended to devise a scheme and artifice to defraud, and for obtaining money and property from

Allstate by means of false and fraudulent pretenses, representations and promises.

Execution of the Scheme to Defraud

31. On or about the dates set forth below, in the District of Rhode Island and elsewhere, for the purpose of executing the aforementioned scheme and artifice, and attempting to do so, the defendant, KORMAHYAH KARMUE, did knowingly cause to be delivered by United States mail or a private or commercial interstate carrier, according to the directions thereon, and did knowingly take and receive from the United States mail or a private or commercial interstate carrier, the material, to wit, checks, as set forth below:

Count	Date of Mailing	Allstate Insurance Check Number
6	December 20, 2013	181326579
7	March 14, 2014	195127599
8	March 31, 2014	188251948

All in violation of 18 U.S.C. § 1341 and 18 U.S.C. § 2.

COUNT IX
THEFT OF U.S. GOVERNMENT FUNDS
18 U.S.C. § 641

At all times material to this Superseding Indictment

32. The Rhode Island Department of Labor and Training

(RIDLT) was charged with carrying out the State of Rhode Island Employment Security Act which created an unemployment insurance program which was funded by employer, state and federal contributions to provide temporary income replacement for individual workers who lost their job through no fault of their own.

33. During the relevant time frame as alleged in the Superseding Indictment the majority of the funds paid to KARMUE were funds received by the State of Rhode Island from the United States Treasury.

34. Rhode Island law required that RIDLT pay unemployment insurance payments in accordance with the controlling statutes and regulations prescribed by the RIDLT.

35. After a worker became involuntarily unemployed, he or she was entitled to make a claim for unemployment insurance benefits. To make a claim, a worker could call a designated telephone number and make a telephonic application, complete an on-line internet application or personally appear at a RIDLT office and complete a paper application form. Each of these application procedures required the claimant to set forth, among other things, the name of the worker's employer and the worker's name and social security number.

36. Once RIDLT approved a claimant to receive unemployment

insurance payments, an unemployment insurance claimant was required, approximately every week, to certify either by mail, in writing, or over the telephone, through the use of a personal identification number unique to each claimant, certain information to continue receiving unemployment insurance. (RIDLT certification process).

37. As part of the RIDLT certification process, the unemployment compensation insurance claimant was asked a number of questions including (1) whether the unemployment insurance claimant had worked or received money during the certification period; (2) whether the unemployment insurance claimant was able to work; (3) whether the unemployment insurance claimant was available for work; and (4) whether the unemployment insurance claimant was looking for work during the certification period.

38. RIDLT relied on the unemployment insurance claimant's written, telephonic or internet answers to the certification questions in determining whether to continue paying unemployment insurance benefits to the claimant, and if so, the amount of the benefits.

39. In July 2008 KARMUE formed a Rhode Island business, Janet Trucking, L.L.C. and incorporated the business with the Rhode Island Secretary of State. In that same month, July 2008, KARMUE opened a business checking account with Bank of America for Janet Trucking, L.L.C.

40. On May 19, 2009 KARMUE secured a commercial insurance policy for Janet Trucking, L.L.C., from Lancer Insurance Company of Cary, North Carolina.

41. On May 20, 2009 KARMUE purchased a 2003 Freightliner truck. On May 26, 2009 KARMUE obtained a Motor Carrier license, number MC652202, from the United States Department of Transportation Federal Motor Carriers Safety Administration. On June 9, 2009 KARMUE doing business as Janet Trucking, L.L.C. purchased a 1999 utility trailer and registered the trailer in the State of Maine.

42. On or about June 8, 2009 KARMUE resigned from his employer, Ryder Logistics, and cited as a basis for leaving a family emergency.

43. In July 2009 KARMUE, doing business as Janet Trucking, began engaging in the business of the transportation of cargo for a fee.

44. On or about July 9, 2009 KARMUE completed and filed an internet application for the receipt of unemployment insurance. As part of that application KARMUE denied working or being self-employed.

45. On or about July 13, 2009 KARMUE completed a mandatory questionnaire supplied by the RIDLT for the continued receipt of unemployment insurance benefits. On that questionnaire KARMUE checked "no" when asked if he had returned to work full time.

He also checked "no" when asked if he had earned or received any monies.

46. On or about July 21, 2009 KARMUE checked "no" when asked if he had returned to work full time. He also checked "no" when asked if he had earned or received any monies.

47. On or about July 22, 2009 to July 3, 2010 the RIDLT provided KARMUE with unemployment insurance payments.

48. During this time period KARMUE was working as a full-time, self-employed trucker.

49. On or about July 12, 2010 KARMUE completed a telephone application with the RIDLT for extended unemployment compensation benefits and fraudulently claimed on such application that he was not working and denied having earned or received any monies.

50. On or about July 15, 2010 KARMUE completed a mandatory questionnaire supplied by the RIDLT for the continued receipt of unemployment insurance benefits. On that questionnaire KARMUE checked no when asked if he had returned to work full time. He also checked no when asked he if had earned or received any monies.

51. During this time period KARMUE was continuing to work as a full-time, self-employed, trucker.

52. On or about September 3, 2010 to August 1, 2011 the RIDLT provided KARMUE with unemployment insurance payments.

53. KARMUE knowingly made false representations of fact relating to his employment status when answering the RIDLT internet, telephonic and written unemployment questionnaires, intending to maintain eligibility for unemployment insurance benefits by fraudulent means.

54. As a result KARMUE fraudulently obtained and converted to his own use approximately \$61,250 in unemployment insurance payments from RIDLT, which payments defendant knew he was not entitled to receive. In excess of \$1000 of said unemployment insurance payments were provided by the United States Treasury.

55. Beginning no later than on or about July 22, 2009, and continuing through on or about August 1, 2011, at Providence in the District of Rhode Island and elsewhere, the Defendant KORMAHYAH KARMUE, did steal, purloin, and knowingly convert to his own use money of the United States, namely, in excess of \$1000 of federal funds administered by the Rhode Island Department of Labor and Training in the form of unemployment insurance benefits, which funds defendant was not entitled to receive;

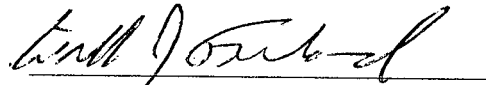
All in violation of 18 U.S.C. § 641.

A TRUE BILL:

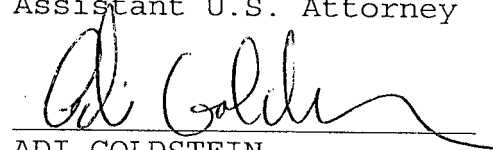
REDACTED

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14

PETER F. NERONHA
UNITED STATES ATTORNEY



WILLIAM J. FERLAND
Assistant U.S. Attorney



ADI GOLDSTEIN
Assistant U.S. Attorney
Criminal Chief

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINT

CASE NO. 13-179S (Superseding)

Matter Sealed: ☐ Juvenile ☐ Other than Juvenile☐ Pre-Indictment Plea ☒ Superseding ☐ Defendant Added
☐ Indictment ☐ Charges/Counts Added
☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND
DISTRICT OF RHODE ISLAND Divisional OfficeName and Office of Person
Furnishing Information on
THIS FORM ☒ U.S. Atty ☐ Other U.S. Agency
Phone No. (401) 709-5084Name of Asst.
U.S. Attorney William J. Ferland
(if assigned)

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)
Alcohol, Tobacco, Firearms and Explosives☐ person is awaiting trial in another Federal or State Court
(give name of court)☐ this person/proceeding transferred from another district
per (circle one) FRCrP 20, 21 or 40. Show District☐ this is a reprosecution of charges
previously dismissed which were
dismissed on motion of:☐ U.S. Atty ☐ Defense☒ this prosecution relates to a
pending case involving this same
defendant. (Notice of Related
Case must still be filed with the
Clerk.)☐ prior proceedings or appearance(s)
before U.S. Magistrate Judge
regarding this defendant were
recorded underSHOW
DOCKET NO.

13-CR-179S

MAG. JUDGE
CASE NO.Place of
offense RHODE ISLAND County

USA vs.

Defendant: GBABIA KOLLIE

Addr

REDACTED

☐Birth
DateAlien
Inhabitable

So

Issue: ☐ Warrant ☐ Summons

Location Status:

Arrest Date 12/13/2013 or Date Transferred to Federal Custody

☒ Currently in Federal Custody☐ Currently in State Custody☐ Writ Required☐ Currently on bond☐ Fugitive

Defense Counsel (if any):

☐ FPD ☐ CJA ☐ RET'D☐ Appointed on Target Letter☒ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 2

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Attachment to
Defendant Indictment Relative to a Criminal Action – In U.S. District Court

Defendant: Gbabia Kollie

Count I: Conspiracy to commit arson affecting commerce, in violation of 8 U.S.C. § 844(n).

Max Penalties: 8 U.S.C. § 844(n) – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count II: Arson affecting interstate commerce, in violation of 18 U.S.C. § 844(i).

Max Penalties: 18 U.S.C. § 844(i) – Not less than 5 years nor more than 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

DEFENDANT INFORMATION RELATIVE TO A CRIMINAL ACTION - IN U.S. DISTRICT COURT

BY: ☐ INFORMATION ☒ INDICTMENT ☐ COMPLAINT CASE NO. 13-179 (Superseding)

Matter Sealed: ☐ Juvenile ☐ Other than Juvenile

☐ Pre-Indictment Plea ☒ Superseding ☒ Defendant Added

☒ Indictment ☒ Charges/Counts Added

☐ Information

Name of District Court, and/or Judge/Magistrate Location (City)

UNITED STATES DISTRICT COURT RHODE ISLAND

DISTRICT OF RHODE ISLAND Divisional Office

Name and Office of Person
Furnishing Information on
THIS FORM

☒ U.S. Atty ☐ Other U.S. Agency

Phone No. (401) 709-5084

Name of Asst.
U.S. Attorney
(if assigned) William J. Ferland

PROCEEDING

Name of Complainant Agency, or Person (& Title, if any)

Alcohol, Tobacco, Firearms and Explosives

☐ person is awaiting trial in another Federal or State Court
(give name of court)

☐ this person/proceeding transferred from another district
per (circle one) FRCrP 20, 21 or 40. Show District

☐ this is a reprosecution of charges
previously dismissed which were
dismissed on motion of:

☐ U.S. Atty ☐ Defense

☒ this prosecution relates to a
pending case involving this same
defendant. (Notice of Related
Case must still be filed with the
Clerk.)

☐ prior proceedings or appearance(s)
before U.S. Magistrate Judge
regarding this defendant were
recorded under

SHOW
DOCKET NO.

13-CR-179S

MAG. JUDGE
CASE NO.

Place of
offense RHODE ISLAND

County

USA vs.

Defendant: KORMAHYAH KARMUE

Addre

**REDACTED**

Birth
Date

Alien
Status

Social

Issue: ☒ Warrant ☐ Summons

Location Status:

Arrest Date or Date Transferred to Federal Custody

☐ Currently in Federal Custody

☐ Currently in State Custody

☐ Writ Required

☐ Currently on bond

☐ Fugitive

Defense Counsel (if any):

☐ FPD ☐ CJA ☐ RET'D

☐ Appointed on Target Letter

☐ This report amends AO 257 previously submitted

OFFENSE CHARGED - U.S.C. CITATION - STATUTORY MAXIMUM PENALTIES - ADDITIONAL INFORMATION OR COMMENTS

Total # of Counts 9

Set	Title & Section/Offense Level (Petty = 1 / Misdemeanor = 3 / Felony = 4)	Description of Offense Charged	Felony/Misd.
	SEE ATTACHMENT		<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
			<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor
		Estimated Trial Days: 5	<input type="checkbox"/> Felony <input type="checkbox"/> Misdemeanor

Attachment to
Defendant Indictment Relative to a Criminal Action – In U.S. District Court

Defendant: Kormahyah Karmue

Count I: Conspiracy to commit arson affecting commerce, in violation of 8 U.S.C. § 844(n).

Max Penalties: 8 U.S.C. § 844(n) – 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count II: Arson affecting interstate commerce, in violation of 18 U.S.C. § 844(i).

Max Penalties: 18 U.S.C. § 844(i) – Not less than 5 years nor more than 20 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.

Count III: Wire fraud, in violation of 18 U.S.C. § 1343

Max Penalties: 20 years imprisonment, \$250,000 fine, 3 years supervised release; \$100 mandatory special assessment.

Count IV: Wire fraud, in violation of 18 U.S.C. § 1343

Max Penalties: 20 years imprisonment, \$250,000 fine, 3 years supervised release; \$100 mandatory special assessment.

Count V: Wire fraud, in violation of 18 U.S.C. § 1343

Max Penalties: 20 years imprisonment, \$250,000 fine, 3 years supervised release; \$100 mandatory special assessment.

Count VI: Mail fraud, in violation of 18 U.S.C. § 1341.

Max Penalties: 18 U.S.C. § 1341 – 20 years imprisonment, \$250,000 fine, 3 years supervised release; \$100 mandatory special assessment.

Count VII: Mail fraud, in violation of 18 U.S.C. § 1341.

Max Penalties: 18 U.S.C. § 1341 – 20 years imprisonment, \$250,000 fine, 3 years supervised release; \$100 mandatory special assessment.

Count VIII: Mail fraud, in violation of 18 U.S.C. § 1341.

Max Penalties: 18 U.S.C. § 1341 – 20 years imprisonment, \$250,000 fine, 3 years supervised release; \$100 mandatory special assessment.

Count IX: Theft of U.S. Government funds, in violation of 19 U.S.C. § 641.

Max Penalties: 19 U.S.C. § 641 – 10 years imprisonment; \$250,000 fine; 3 years supervised release; \$100 mandatory special assessment.